VZCZCXRO9235 PP RUEHBC RUEHDBU RUEHDE RUEHDIR RUEHFL RUEHKUK RUEHKW RUEHLA RUEHROV DE RUEHAK #2351/01 2601155 ZNY CCCCC ZZH P 171155Z SEP 07 FM AMEMBASSY ANKARA TO RUEHC/SECSTATE WASHDC PRIORITY 3762 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY RUCNIRA/IRAN COLLECTIVE PRIORITY RUEUITH/ODC ANKARA TU PRIORITY RUEKJCS/JOINT STAFF WASHDC//J-3/J-5// PRIORITY RUSNNOG/USEUCOM VAIHINGEN GE PRIORITY RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RHEHAAA/NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 ANKARA 002351

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TAGS: PREL PGOV PTER MOPS MNUC ENRG ETRD ECON IR TU SUBJECT: TURKEY'S INCONSISTENT IRAN POLICY (PART II): SOME COOPERATION BUT CONCERNS PERSIST

REF: ANKARA 521

Classified By: PolCouns Janice G. Weiner, reasons 1.4 b, d

- 11. (U) This is the second of a two-part cable on Turkey's Iran policy. Please see part I, septel.
- 12. (C) SUMMARY AND COMMENT. Energy needs notwithstanding, deepening commercial ties, and Iranian military action against PKK-affiliated targets in northern Iraq, are further bolstering Turkish-Iranian relations. Over the past several years the GOT has sought to improve relations with many of its neighbors, trying realistically to make the best out of living in a bad neighborhood. Ankara's inconsistent Iran policy is in large measure the GOT hedging its bets it is uncertain who's calling the shots in Iran, and what Iranian objectives really are in the region, especially in Iraq. The GOT does not relish the thought of a nuclear Iran, but wants the resources, the business, and the link to Central Asia. END SUMMARY AND COMMENT.

## COMMERCIAL TIES DEEPENING

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- 13. (C) As a result, Iran has been warming up the Turks with more than just energy. In July 2007, Iran finally joined Turkey and Pakistan in ratifying the 2003 Economic Cooperation Organization Trade Agreement (ECOTA). ECOTA is a limited measure that seeks to extend mutual most favored nation treatment among countries of the ECO bloc. Turkish State Minister for Foreign Trade Kursad Tuzmen has publicly stated that the Iranian ratification will allow Turkey to implement preferential trade deals with Iran and Pakistan in 2008, and that trade between the parties is set to "explode." Privately, though, his staff has confided to us the difficulty in persuading the Iranians to agree to any type of substantive preferential trade arrangement by that time (ref A).
- 14. (C) Commercial ties, however, are already deepening.

Iran's non-fuel exports to Turkey increased from \$150 million in 2005 to about \$600 million in 2006 (Turkey also imported \$5 billion in fuel from Iran in 2006), while Turkish exports to Iran were worth \$1 billion. Iran, of course, also remains the gateway to the growing volumes of trade between Turkey and Central Asia, and in 2006 over 866,000 Iranian tourists visited Turkey, making it the sixth largest source of foreign visitors.

## TURKISH-IRANIAN COOPERATION AGAINST THE PKK

- 15. (C) Recent months have seen almost daily Turkish press accounts of Iranian shelling of PKK-affiliated PJAK targets in Northern Iraq. Iran has simultaneously accused the United States of providing direct and indirect support to the PKK, further fueling frequent media reporting on U.S.-origin weapons being found on PKK members. While media claims of aggressive Iranian action against the PKK, and close Turkish-Iranian cooperation against the PKK (to include joint operations in northern Iraq) are greatly exaggerated, the Turkish military has acknowledged tactical cooperation with Iran in its efforts to target PKK hideouts in Northern Iraq and prevent PKK infiltration into Turkey.
- 16. (C) Despite this cooperation, the GOT and the military are skeptical and remain concerned about Iran,s growing influence in the region. MFA's Hizlan noted that, despite Iran's recent actions, no one has forgotten that Tehran supported the PKK in the past. The Turkish General Staff (TGS) is working quietly with us on missile defense analysis, and both the MFA and the TGS are receptive to our intelligence briefings on Iran,s nuclear and ballistic missile programs.

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## IRAN'S NUCLEAR PROGRAM: TURKEY NOT FOOLED

- 17. (C) Turkey and Iran engage in routine and periodic foreign ministry-level exchanges, consistent with their relationship as neighbors. MFA Deputy Undersecretary Sinirlioglu most recently traveled to Tehran in June, and Iranian Deputy FM Safari visited Ankara in July. While there is no regularly scheduled political dialogue, Hizlan made clear that Turkey wants to engage the Iranians on an ongoing basis. The GOT, Hizlan added, is very direct in expressing its concerns to the Iranians at both the working level and the political level. He emphasized, for example, that then-FM Gul and PM Erdogan have continuously sought to convince Iran to take a more cooperative, transparent approach to its negotiations on the nuclear issue.
- ¶8. (C) The GOT is convinced that Iran is determined to both acquire the technology to develop nuclear weapons and possess those weapons. MFA Undersecretary Apakan has told us that an Iranian nuclear weapon is a threat to peace in the region, and he emphasizes that Turkey tells the Iranians this. Hizlan described Iran's August agreement with the IAEA as a ploy to buy time, which might offer Beijing and Moscow sufficient cover to resist a third round of sanctions. Despite the GOT's skepticism, it has tried to bridge differences between Iran's nuclear negotiator Larijani and EU Foreign Policy Chief Solana, hosting talks by the two sides in Ankara on April 25. On Turkey's UN sanctions implementation, Hizlan acknowledged that the relevant implementing legislation for UNSC 1737 and 1747 still has not been approved by the cabinet, but insisted that Turkey is nevertheless implementing the requirements of both resolutions, including the freezing of assets.

CONCERN ABOUT IRAN'S GROWING REGIONAL INFLUENCE, BUT WHO'S CALLING THE SHOTS?

- 19. (C) While Turkey has long sought accommodation with its erstwhile rival, there is concern within the GOT over Iran's growing regional influence. Turkey, for example, officially informed the UN Sanctions Committee about the incident of Iranian weapons found aboard a train transiting Turkey, and sought an explanation from Iran.
- (C) GOT officials do not doubt that Iran is fomenting <u>¶</u>10. violence in Iraq and remains suspicious of Iranian intentions. Head of Department for Middle East Affairs Sedat Onal, who served in Tehran, told us that he's not sure Iran prefers a unified Iraq, as it professes to. Iran has been cultivating its relations with the current Iraqi Shia leadership for years and has influence; a divided Iraq could still present Iran with a sympathetic neighbor and prevent the emergence of an Iraq that could, one day, counter-balance it. In addition, officials note that Iran has supported Sunni insurgent groups. At the same time, Shia insurgent groups in Iraq are competing with each other, using Iran to advance their own narrow objectives. On Iranian influence in Afghanistan, Hizlan said that he personally still has doubts about U.S. claims that Iran is supporting the Taliban in Afghanistan. Iran hates the Taliban, he said, and was active in supporting the Northern Front against it.

COMMENT: TURKEY STILL LOOKS WEST, BUT ALSO LOOKS AHEAD

111. (C) GOT officials stress to us that there is no institutionalized confidence between Turkey and Iran, and no change in Turkey's Western orientation, least of all in the direction of Iran. Turks don't trust Iranians, not having forgotten that Iran tried to foment revolution here back in

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the 1980s; both Iran's current FM and its Deputy FM came close to being made persona non grata from their posts in Turkey at that time. Unlike the thousands of Iranians visiting Turkey, Turks don't send their kids to school in Iran, and few vacation there. GOT officials assure us that relations with Iran are not a substitute for U.S. or EU relations. Officials believe, however, that they must keep the door open to this difficult neighbor and lay the groundwork for relations with future Iranian governments.

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WILSON